



**CITY OF BUCKEYE
COUNCIL WORKSHOP
JUNE 21, 2016
MINUTES**

**City Council Chambers
530 E. Monroe Ave.
Buckeye, AZ 85326
4:00 p.m.**

1. Call to Order/Roll Call

Mayor Meck called the meeting to order at 4:00 p.m.

Members Present: Councilmember Orsborn (excused at 4:37 p.m.; returned at 4:40 p.m.), Councilmember McAchrn (excused at 5:38 p.m.; returned at 5:41 p.m.), Councilmember Heustis, Vice Mayor Hess (excused at 5:14 p.m.; returned at 5:16 p.m.), and Mayor Meck (excused at 5:28 p.m.; returned at 5:31 p.m.).

Members Absent: Councilmember Garza.

Departments Present: City Manager Stephen Cleveland, Assistant City Manager Roger Klingler, City Attorney Shiela Schmidt, City Clerk Lucinda Aja, Deputy City Clerk Summer Stewart, Assistant to Council Carol Conley, Police Chief Larry Hall, Fire Chief Bob Costello, Finance Director Larry Price, Economic Development Director Len Becker, Human Resources Director Nancy Love, Public Works Director Scott Lowe, Public Information Officer Bob Bushner, Information Technology Director Greg Platacz, Planning Manager Terri Hogan, and Library Manager Jana White.

2. Buckeye Valley Chamber of Commerce presentation

Staff Liaison: Len Becker, Economic Development Director

Mr. Becker opened the presentation and introduced Deanna Kupcik, Buckeye Valley Chamber of Commerce President and CEO. Ms. Kupcik provided an overview of Buckeye Valley Chamber of Commerce ("the Chamber"), which supports local businesses and builds strong partnerships dedicated to promoting business, education and community interests of Buckeye. A history of the Chamber was reviewed; the Chamber incorporated in 1926. Programs were listed and reviewed and include advocacy, networking, promotion, the Visitor Information Center, special events, Buckeye Leadership, and job fairs. Tedy Burton, Chamber Friend Raiser, discussed successful job fair activity; tools and resources are provided to residents seeking work. The Chamber was thanked for their service to the community and for their partnership with the City of Buckeye.

3. Council will discuss the Fiscal Year 2016-2017 Final Budget and wage adjustment options

Staff Liaisons: Nancy Love, Human Resources Director
Larry Price, Finance Director

Mr. Price provided an overview of the Fiscal Year (FY) 2016-2017 Final Budget Proposal. During the June 7, 2016 Regular Council Meeting, Council approved the FY 2016-2017 Tentative Budget, to include proposed reclassifications and 18 new positions. The Final Budget is scheduled for adoption during a Special Council Meeting scheduled on June 21, 2016. Estimates of costs related to adopted

reclassifications and new positions were provided. FY 2016-2017 budgeted projects were listed and summarized. Health Insurance budgets were addressed; the City and employees share the 27.59 percent premium increase based on the City paying 88 percent of employee only premiums and 84 percent of dependent coverage based on Open-Access Plus (OAP) premiums. Cost sharing arrangements for the newly offered Health Maintenance Organization (HMO) and High-Deductible Health Plan (HDHP) were addressed. Mr. Price clarified approximately 360 employees receive wages and contributions to health insurance premiums from the General Fund; the remaining employees receive wages and contributions to health insurance premiums from separate funds.

Ms. Love stated, during open enrollment, approximately 55 employees enrolled in the HMO, approximately 30 employees enrolled in the HDHP, and the remaining employees that elected insurance chose the OAP.

Mr. Price presented Contingency Funds and balances. Clarification was provided regarding the Special Districts Reserves/Contingency Fund, which provides for flexibility in the budget if needed. Water and Sewer Reserves/Contingency Funds were discussed. The Water System FY 2016-2017 Budget was presented and discussed; water system operating revenues and expenditures are essentially balanced. There is approximately \$19 million in the contingency fund. The importance of establishing a replacement and repair fund was discussed.

The current compensation policy was presented and discussed. The pay structure adopted in August, 2015 was provided and reviewed; public safety employees continued in a step structure and remaining employees were placed into a broadband pay structure. The average step increase within the step structure is 4.3 percent. A potential Cost of Living Allowance (COLA) was discussed; a COLA will increase pay for all employees by 1.7 percent while also increasing the pay structures by 1.7 percent. Three wage adjustment options were presented and reviewed. Option 1 includes a one-step increase for public safety employees, a 4.3 percent increase for employees in the broadband pay structure, and a 1.7 percent one-time bonus for all employees that are at the maximum of their pay range and ineligible for a wage increase. Option 2 includes a 1.7 percent COLA for all employees. Option 3 includes a one-step increase for public safety employees and a 4.3 percent increase for employees in the broadband pay structure, with no increase in pay to those currently at the maximum of their pay range. Ms. Love clarified merit increases are based on successful completion of an employee performance evaluation pursuant to the current Classification and Compensation policy. Mr. Price presented estimated costs by employee group with each wage adjustment option. Councilmember Orsborn stated the importance of adopting an updated Classification and Compensation policy. Ms. Love presented and discussed the pay structure implemented in August, 2015. Pay ranges were adjusted and all employees were placed into the ranges based on how many years they had been in their position. Various employees, due to time in position, realized pay increases above \$10,000 annually. Ms. Love stated large pay increases were due, in part, to the market study that increased the pay ranges and the length of time employees had been in their current position. Further discussion was held regarding the importance of implementing an updated pay policy. The issue of compression was addressed. A history of wage adjustments from FY 2009-2010 through FY 2015-2016 was reviewed. Councilmember Heustis requested a Council Workshop be scheduled for the second meeting in September, 2016 to address the implementation of an updated pay policy. Councilmember McAchran provided information related to past pay strategy studies. Insurance premiums and cost sharing was discussed. Mayor Meck stated the importance of balancing financial responsibility and implementation of wage adjustments within the updated pay structure. General discussion was held regarding the policy of maintaining 25 percent of operating expenditures in the General Fund Contingency Fund.

4. Council will make a motion to adjourn the meeting.

A motion was made by Councilmember Orsborn and seconded by Vice Mayor Hess to adjourn the meeting at 5:47 p.m. Motion passed unanimously.

Jackie A. Meck, Mayor

ATTEST:

Lucinda J. Aja, City Clerk

I hereby certify that the foregoing minutes are a true and correct copy of the Council Workshop held on the 21st day of June, 2016. I further certify that a quorum was present.

Lucinda J. Aja, City Clerk